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LIBYA

A. **Palestinian State Favoured:** The Head of State, Col. Moamer Gaddafy, said in an interview published by the Turin newspaper, **La Stampa,** that Palestinians now favoured a State of their own on the Israeli-occupied West Bank of Jordan and in the Gaza Strip because they believed that it would lead to the destruction of Israel.

He said: "In my opinion, the reason that [Palestine Liberation Organization leader Yassir] Arafat and many Palestinians are today favourable to the idea of a mini-State is explained by the fact that they think it could bring about the end, the destruction, of Israel.

"An accord that would create two separate States—one Palestinian, one Israel—between Jordan and the sea cannot have a permanent character. One or the other of these two States would disappear one day.

"My opinion, taking account of the forces sustaining the Palestinians, is that it will be Israel that is destroyed."

(**The Times,** London)

MOROCCO

A. **Saudi Mediation In Dispute With Algeria:** King Hassan II, who arrived in France on November 21 for a four-day State visit, acknowledged in an interview that Prince Fahd of Saudi Arabia was in Morocco on a mission to seek reconciliation between Morocco and Algeria.

King Hassan did not directly mention the Saudis in his comment on oil, but he said: "What I can gather from the contacts I have had, any price increase—if there is one—will really be without impact on world prices and on the cost of energy."

This information seemed to fit in with Egypt's President Anwar Sadat's reported statement to the French Prime Minister, Mr. Raymond Barre, in Cairo a week earlier that the Saudis were seeking a price rise of no more than 5 per cent, while Iran was seeking a 10-per-cent increase.

King Hassan said that he had been collecting "the views of a certain number of oil producers, and I think there won't be a huge increase in oil prices because the producers, who are wise and reasonable, have no interest in ruining their trading partners." The statement appeared to be based on his contacts with the Saudis.

He said that the Arab oil producers "supply themselves with machinery, factories, electronic equipment, arms and lots of other things from Europe, America and Japan." "So," he said, "they reason this way: 'If we ruin our suppliers, we'll have nothing more to buy'."

No Phosphate Cartel:

King Hassan also said that there was no effort to organize a phosphate cartel like that of the oil industry's Organization of Petroleum Exporting Countries.

Morocco is the largest exporter of phosphates, the base of fertilizers that are crucial to world food production. Morocco is expected to have a monopoly on phosphate exports in another decade or so.

The King said he had insisted that a recent conference on phosphates held in Dakar be at the level of technicians instead of Cabinet Ministers, as proposed by President Leopold Senghor of Senegal, in order to "depoliticize" any possible future co-ordination of phosphate production and prices.

(**The International Herald Tribune,** Paris)

[Prev. ref. 4215:MRC:A]

B. **Return Of Jews:** The Government has embarked on a campaign to persuade about 230,000 Moroccan-born Jews to return from Israel, France, the United States and other countries to share in the future prosperity of their "real homeland."

The invitation, first addressed in March to Moroccan Jewish communities abroad by King Hassan II and the Premier, Mr. Ahmed Osman, has resulted in a small but steady flow of Jews back to Morocco.

Officials said that about 1,000 Jews have returned this year and several hundred more are expected early next year. Following the end of French rule in 1956, all but 17,000 of the about 250,000 Moroccan Jews fled for fear of persecution and pogroms. The Moroccan population is 98 per cent Moslem.

The Government has promised to help find jobs for all Jews of Moroccan origin or assist them in re-establishing small business there. Big companies are encouraged to hire technically qualified Jews in high-level executive positions. A recent advertisement in the Government-owned newspaper **Le Matin** explicity asked for Jewish applicants to fill a vacant job as factory manager.

The departure of many Jewish technicians left a gap in Moroccan industry. Replacing the Jews with US or European technicians proved a serious drain on the economy.

Morocco has no anti-discrimination laws and Islam is the official State religion. But Moroccan officials like to point out that a Jewish minority has lived in peace and harmony among the Moroccan population since biblical times and was never subject to persecution. Tensions between the communities arose only when newly independent Morocco joined the Arab front against Israel.

In the 1960s, and following two unsuccessful **coup** attempts against King Hassan II in 1971 and 1972, there was an exodus of Jews from Morocco. Small traders, businessmen and industrialists quietly sold out and slipped out of the country with everything they could take along. Currency restrictions barred the export of funds.

Moroccan officials estimate that 145,000 Jews went to Israel; 50,000 to France; 25,000 to North America, and smaller numbers to other countries. Among the Arab countries, Morocco alone allowed native-born Jews to come back on a visit—even with Israeli stamps in their passports—and return to Israel. The Government had drawn a line, however, at admitting persons with Israeli passports, which were not recognized as valid documents.

To overcome the problem, the Moroccan Embassy in Paris has been instructed to issue Moroccan pass-

ports to any Moroccan-born Jew, even if he has no identification other than a passport issued by Israel.

A Moroccan source said: "We think we are also contributing to a solution of the Middle East problem by proving that Moslems and Jews can live together in harmony despite the existence of a State called Israel."

(**The International Herald Tribune**, Paris)

C. **Independents Win Council Elections:** Independent candidates have won a majority of the more than 13,000 seats contested in the local government council elections held on November 10, according to official results published by the Interior Ministry on November 13.

The results showed that the major political parties, contesting elections for the first time since 1960, had lost considerable ground to the independents, most of whom are said to support King Hassan and his Government.

The elections, only the fourth for local government since Independence in 1956, will affect the composition of the next Parliament as councillors will elect one-third of the members of the new Parliament due to meet in April, 1977.

Since the last Parliament was dissolved after an abortive military **coup** in 1971, King Hassan has ruled by decree with a Government composed of Independents.

With about 80 per cent of results known, Independent candidates had taken just over 50 per cent of the 13,362 seats on 830 local councils. It was understood they may form a new royalist party to contest the expected Parliamentary elections next year.

(**The Hindustan Times**, New Delhi)

NAMIBIA

A. **Student Protest:** A SWAPO spokesman said in Lusaka on November 18 that students were boycotting classes and examinations to protest against South Africa.

The SWAPO Information and Publicity Secretary, Mr. Peter Katavivi, in a statement said: "Our people's total rejection of the South African **regime** and its quislings is most clearly demonstrated by the current boycott of classes and examinations by students throughout Namibia'".

Reports in Windhoek, the Namibian capital, said students were boycotting classes in the Katutura township for several days.

There had been a certain tension in the African area of Windhoek, where some 25,000 people live, but, there had been no parallel with the massive anti-**apartheid** demonstrations in South Africa in the past few months.

It was also reported from Windhoek that African miners of the vast new uranium mine at Swarkopmund, on the Atlantic coast, had gone on strike over pay scales.

In his statement, Mr. Katavivi said the boycott showed the solidarity of the Namibian people and their resistance to the South African **regime** and its Bantu education policies.

He also accused the South African authorities of having tried to bribe Namibian political prisoners being held in the Robben Island prison to persuade them to support a proposed **interim** Government for Namibia.

SWAPO had received a letter smuggled out from the Robben Island prison which gave details of "a political scandal" involving the South African Government.

(**The Statesman**, Calcutta)

RHODESIA

A. **Geneva Talks:** Four of the five "front-line" black States bordering Rhodesia asked African nationalist leaders on November 14 to compromise on a date for majority-rule independence to save the Geneva talks (see page 4401 for earlier report) from possible break-down.

The Nationalist leaders, Mr. Joshua Nkomo and Mr. Robert Mugabe maintained, however, their demands that Britain set December 1, 1977 as the "principal" independence date, with March 1, 1978 as a possible alternative if the legal process on establishing majority rule was delayed.

A spokesman for Mr. Nkomo said: "We cannot understand why Britain should agree with us that independence within one year is desirable but that it may take 15 months, but refuse to set a specific date."

Mr. Ivor Richard, who was conference chairman, wanted the four black nationalist delegations and the white-minority Government's representatives to agree first on the various stages of the independence process, starting with formation of an **interim** Government, and then fix a date.

Mr. Richard, who had scheduled for November 13 what could have been a final show-down plenary meeting, postponed the session after an intervention by observers from the "front-line" States of Tanzania, Zambia, Botswana and Mozambique. The four countries, with Tanzania taking the lead, persuaded Mr. Richard that they might be able to get Mr. Nkomo and Mr. Mugabe to accept a compromise.

Mr. Nkomo charged earlier that Mr. Richard, by refusing to set a specific date, was "siding with the **regime** of Ian Smith."

Mr. Richard said that he did "not anticipate" a collapse of the conference [Britain was known to be fearful of adjourning the talks because an almost inevitable escalation of guerrilla fighting in Rhodesia might make their resumption impossible.]

British Compromise Plan:

Black nationalist leaders on November 15 divided over a British compromise time-table for independence under black-majority rule.

The militant "Patriotic Front" of Mr. Mugabe and Mr. Nkomo said that Britain refused to agree to a specific date, a commitment they demanded as a condition for moving on to discussion of other issues.

Bishop Abel Muzorewa and Rev. Ndabaningi Sithole said they would go along with the compromise formula as the only way of getting down to issues of substance such as the structure of a transitional Government.

Mr. Richard presented his formula at a plenary conference meeting that lasted 20 minutes. Despite the two-week-old deadlock over the issue of an independence date, he said that he was "much encouraged." "We've said that, provided the necessary processes are completed, if they can be done in 15 months—which is our estimate—the date for independence will be the first of March, 1978. If it can be done in 12 months, the date for independence will be the first of December, 1977. It is our view that the whole thing will take 15 months. But we may be wrong. If the nationalists are right, then independence comes quite a lot earlier."

Mr. Mugabe and Mr. Nkomo had the session adjourned to November 16.

saying they needed the time to study the statement in detail. They said Britain had delivered to other delegations advance texts of its compromise plan, and said this gave them advantage. "The British mentioned our date but what is quite obvious is that Britain has opened the sluice gates and the whole thing [the independence process] can go on indefinitely," Mr. Nkomo said afterwards.

He and Mr. Mugabe assailed the fact that Britain had not settled on any one date for granting independence to Rhodesia, where the present white-minority **regime** unilaterally declared the territory's sovereignty 11 years ago. [Rhodesia has 270,000 whites and 6 million blacks.]

Another spokesman for the Patriotic Front said: "What happens if the process is not completed in 15 months? We insist on a binding date."

[Britain is wary of setting a binding independence date for fear of becoming directly involved in Rhodesia if the legal processes of transition cannot be completed on schedule.] The 12-month period demanded by the nationalists and the 15-month interval suggested by Britain as the best estimate were based, Mr. Richard said, "on the assumption that the conference will end by November 30."

Bishop Muzorewa said his African National Council wanted independence within 12 months and would prefer September 12, 1977, because that will be the 20th anniversary of the organization. "We note the willingness of the British Government to grant independence to Zimbabwe [the blacks' name for Rhodesia] by the first of December, 1977, or at the latest by the first of March, 1978. For the sake of Zimbabwe's liberation and freedom, my delegation desires that the Conference should now move to discuss substantial matters and in particular the structure of an **interim** Government."

The minority Government's delegation, headed by the Foreign Minister, Mr. Pieter van der Byl, said it still believed the independence process would take at least two years.

In a joint statement accusing Britain of attempting to widen the split between the Conference's four nationalist delegations on November 16, Mr. Nkomo and Mr. Mugabe demanded that the transfer of power from the white Rhodesian minority Government of Mr. Ian Smith be set for December 1, 1977.

In their statement the two leaders said that the Patriotic Front "totally rejects" the British position that no fixed date for independence could be set before all the constitutional and administrative processes for the transition to black rule were completed.

The Patriotic Front, the two leaders said, was "compelled to entertain serious doubts about the overall British intentions" regarding the Conference because of what they termed the "imprecision and equivocation" of the British plan.

The Patriotic Front team also called for a deadline to be set for the conclusion of the Conference itself to insure that the December 1, 1977 independence date that they felt the Conference should fix "cannot be sabotaged."

However, Mr. Richard ignored the injunction of the Patriotic Front in the statement read by Mr. Mugabe at the brief plenary session. Later, at a private meeting, he discussed with Rev. Sithole the question of how to examine the issue of the structure of the proposed biracial Government and scheduled a similar meeting with Bishop Muzorewa.

Guerrilla Casualties:

Meanwhile, security forces said on November 16 that 29 guerrillas had been killed in the last 24 hours, possibly the highest total reported for such a period in four years of war.

In a series of ground and air operations over the last two weeks, security forces said they had killed more guerrillas—141—than in all of last year, when 140 were reportedly slain.

The operations cost the lives of seven servicemen, the highest reported toll for any similar period. Fourteen security force men were killed in action in 1975.

It was also reported that a farmer, Arthur Cummings (28) was murdered by guerrillas at his homestead south of the north-west Rhodesian resort town of Victoria Falls. He was the 50th white victim of 622 civilians slain by insurgents in this war.

More than 10 persons a day were killed in the war in November. In the last two weeks, 179 persons—civilians, Government troops and guerrillas—lost their lives.

The intensity of the conflict had increased since guerrilla commanders ordered an escalation of offensives from their sanctuaries in Mozambique, Zambia and Botswana—an effort to strengthen their positions at the Geneva Peace Conference.

Mozambique said on November 16 that Rhodesia had landed paratroops in an attack on a town across the border and had lost seven planes in four days of fighting.

Mozambique radio said Rhodesia flew in the airborne troops to attack Mavue, a town close to the frontier in Gaza Province.

The Mozambique news agency, in a report available in Dar-es-Salaam, said the Rhodesians had occupied a military base at Mavue. It did not say whether they still held it. But, fighting had continued with Rhodesian ground troops, supported by armoured cars, coming across the border to link up with the airborne force. It said that the 20 Rhodesian aircraft used in the fighting included bombers.

Bishop A. Muzorewa's Interim Plan:

On November 17, Bishop Abel Muzorewa accused the two other nationalist delegates of resorting to "cheap power politics."

In a letter to Mr. Richard, Bishop Muzorewa said that the accusation by Mr. Mugabe and Mr. Nkomo, who had formed a loosely knit "Patriotic Front," implied that he was negotiating "under the table" with the Chairman.

"We feel insulted that our integrity is being questioned and our good name sacrificed at the altar of cheap power politics."

Bishop Muzorewa published the letter after a long private meeting with Mr. Richard on the structure of the projected biracial Government that would hold office during the transition of rule from 270,000 whites to the 6 million blacks.

Mr. Richard had the first of his talks on the transitional Government with Mr. Sithole after the "Patriotic Front" delegates had announced in plenary session that they opposed having the Conference take up any other issue before Britain had fixed a firm date for Rhodesia's independence under black rule. Britain had never recognized the Smith Government's Unilateral Declaration of Independence in 1965.

Bishop Muzorewa's plan for the transitional period called for UK to appoint a Governor on the advice of the **interim** Prime Minister, who would be elected by all Rhodesians on a one-man-one-vote basis.

Under the Prime Minister would be a 34-member Executive Council whose seats would be proportionally divided among the parties repre-

sented in the election for Prime Minister. The Council would name a commission to draft the Constitution for an independent Zimbabwe.

British Deadline:

Britain proposed on November 18 that the conference end by December 20 at the latest.

The proposal met one of the demands of two hard-line black nationalists and it was also seen as an effort to advance the talks into a discussion of substantive issues, such as the structure of a transitional, pre-Independence Government for Rhodesia.

Mr. Richard suggested the deadline to Mr. Mugabe and Mr. Nkomo, who for three weeks had insisted on a definite Independence date.

They also demanded the fixing of a deadline for ending the Geneva talks so that their proposed Independence date of December 4, 1977 "cannot be sabotaged" by continuing delays in negotiations.

Mr. Richard's deadline suggestion was obviously designed to placate the two while he continued to reject their demand for independence in 12 months. He had said that his Government could not commit itself to any "immutable" date for independence under black-majority rule in Rhodesia.

Mr. Richard gave Mr. Mugabe and Mr. Nkomo a document containing the deadline proposal.

The document repeated Britain's earlier formula of trying to complete the independence process by December 1, 1977, or by March 1, 1978, at the latest—without either date being binding.

The two nationalists conferred privately on a joint response to the proposal. British officials were encouraged by the fact that the two black leaders showed no signs of wanting to quit the Conference.

Mr. Richard later in the day gave a copy of the document to the other nationalist delegations' leaders, Bishop Abel Muzorewa and Rev. Ndabaningi Sithole, and to the Rhodesian Foreign Minister, Mr. Pieter van der Byl.

Bishop Muzorewa and Mr. Sithole had not demanded a firm date for independence and Mr. Richard had already held preliminary talks with them on the structure of an **interim** Government.

The Foreign Minister of Mozambique and Angola—Mr. Joaquim Chissano and Mr. Jose Edu ardo dos Santos, respectively—arrived in Geneva on November 18.

Mozambique had an official observer delegation at the Conference, together with the other "frontline" African States of Tanzania, Botswana and Zambia. Angola had not previously played any role in Geneva.

Britain, attempting to break the month-long deadlock at the Rhodesia Conference, proposed to make March 1, 1978 the deadline for granting independence to Rhodesia's black majority.

The offer was made by Mr. Richard to nationalist leaders.

Nationalist officials said Mr. Richard's offer stated "categorically" that March 1, 1978 was a firm date by which all administrative and constitutional processes, including the granting of actual independence, would have been completed.

An official said: "March 1, 1978 now remains fixed as a ceiling date for completion of the legal process and for independence".

After his 35-minute meeting with Mr. Mugabe and Mr. Nkomo, Mr. Richard refused to go into any details, saying only that he had given the two men a paper "which is an attempt to reconcile the apparent differences between their position and ours."

Britain had previously refused a firm commitment to a specific and binding date, fearing direct involvement in Rhodesia if that date could not be met and arguing that it was "more reasonable" to first agree on all the legal and constitutional steps leading up to independence, completing them and then setting an independence date.

The leader of the white-minority Government delegation, Mr. Pieter van der Byl, also agreed that independence should come as soon as the legal process could be concluded.

(**The Times,** London, **Standard,** Nairobi, **Daily Graphic,** Accra and **The Hindustan Times,** New Delhi)

[Prev. ref. 4401:RDS:A]

SENEGAL

A. **Phosphate Cartel:** The main African and Arab producers of phosphate will set up a cartel to peg increasing world prices.

At a recent meeting in Dakar, the representatives of Algeria, Morocco, Tunisia, Jordan, Togo and Senegal decided on the cartel "to fight for just prices".

The prices of the mineral, vital for increasing food production, had halved from $67 to $80 a tonne in 1974 to its current $35. This was a result of the saturation of the market by the world's largest producer, the United States.

The exporters' association to be set up by these countries will define the strategy for the members. Taking into account the operation of the world market, it would determine the total tonnage of phosphate to be offered for sale by the members, its prices and the quotas.

The total quantity of phosphate handled by the cartel would be 25 to 26 million tonnes. The world production is now about 90 million tonnes a year. USA produces about half of this and exports about eight million tonnes.

The European market absorbs about 60 per cent of the African and Arab production. USA has flooded this market with phosphate at "rock bottom" prices, adversely affecting the prices.

Although the members are yet to decide on the cartel's organization and structure, observers attach great significance to its establishment. They stress that control of the phosphate market would have a bearing on the world foodgrains market.

The initiative also will influence the struggle for a new world economic order.

In this context, the observers attach importance to the developments in western Sahara. This area contains ten billion tonnes of phosphate, which is about an eighth of the known world resources.

(**The Hindu,** Madras)

[Prev. ref. 4149:MRC:A, 4257:MRC:A]

SIERRA LEONE

A. **FAO's Twenty-Point Plan:** Delegates to the ninth UN Food and Agriculture Organization (FAO) Regional Conference for Africa, meeting in Freetown, have approved a 20-point plan aimed at making every African country self-sufficient in food.

The plan, named the "Freetown Declaration," calls for maximum effort to develop African agriculture and to make the Continent one of the world's major food-producing blocs.

The 41 delegates agreed that agriculture should be given pride of place in development and allocated more investment resources. There should also be regional and inter-regional co-operation.

FAO was urged to help Governments identify and prepare projects for international financing. The Declaration called for renewed efforts in mobilizing Africa's vast natural resources.

It expressed deep concern that despite efforts made by developing countries to increase food and agricultural production, the gap between food needs and production had actually widened.

Delegates expressed disappointment that two years after the resolution of the World Food Conference, the pace of international action to increase food production had been distressingly slow.

Despite increased national efforts, agricultural performance in Africa had declined over the past 25 years. The Declaration pointed out the poor environmental conditions, lack of adequate financial resources, inappropriate technology and inadequate socio-economic and institutional structures as major factors responsible for the decline.

(**The Economic Times**, Bombay)

[Prev. ref. 3900:AQA:A]

SOUTH AFRICA

A. UN Assembly Approves Armed Struggle: The UN General Assembly for the first time on November 9 directly endorsed armed struggle as a legitimate weapon in the hands of what it termed the "oppressed people of South Africa."

The endorsement came as part of a 10-point programme adopted after a two-week debate. It was designed to end **apartheid** and isolate South Africa diplomatically and economically.

The resolution said that South Africa's consistent defiance of UN resolutions on **apartheid**, and its continued brutal repression, including mass killings, left "no alternative to the oppressed people of South Africa but to resort to armed struggle to achieve their legitimate rights".

By 110 votes to 8, with 20 abstentions, the Assembly urged the Security Council to take urgent action to impose a mandatory arms embargo on arms supplies to South Africa.

It also called for an end to all diplomatic, consular and other official relations with South Africa.

The resolution on the armed struggle, adopted by 108 votes to 11 with 22 members abstaining, demanded an end to all forms of military and nuclear co-operation with South Africa. It also called on the United States, France and Britain to "desist from misusing their veto power in the Security Council to protect the South African racist **regime.**"

On economic collaboration with South Africa, the Assembly declared that such ties constituted a hostile act against an oppressed people and "contemptuous defiance of UN and the international community."

Other proposals called for an oil and financial embargo on South Africa, the denial of landing rights to South African planes, the closure of ports to South African ships, a ban on emigration to South Africa, and a halt to cultural exchanges.

Most of the resolutions were sponsored by African and other Third World States.

A proposal to ban further foreign investment in South Africa, spearheaded by the Nordic countries, was adopted without any votes against, although 16 nations abstained.

The Assembly urged all States to boycott South African sports bodies, teams or athletes in international competition, and proposed the setting up of a 25-member committee to draft an international convention against **apartheid** in sports.

The world body's Special Committee on **Apartheid** was asked to call a world conference on the question next year.

A further resolution strongly condemned "the continuing and increasing collaboration by Israel with the South African racist **regime.**

Nuclear Collaboration Condemned:

The UN General Assembly on November 5 condemned the nuclear and military collaboration which it said existed between the "racist minority **regime** of South Africa" and Britain, France, West Germany, Israel and the United States.

By a vote of 93 to nine against, with 19 abstentions, it also called on all Governments, particularly those five, to refrain from extending facilities enabling South Africa to produce uranium, plutonium and other nuclear materials, reactors or military equipment.

Opposing the resolution, called up from the Assembly's Committee on Trust and Non-Self-Governing Territories, were Belgium, Britain, France, West Germany, Israel, Italy, Luxembourg, the Netherlands and the United States.

The lengthy text, originally sponsored in the Committee by 33 mostly African, Arab and socialist countries, also condemned the activities of foreign economic and other interests in the colonial territories said to be impeding their progress to self-determination.

The Secretary-General, Dr. Kurt Waldheim, was requested to undertake a publicity campaign, through the UN's Office of Public Information, to inform world public opinion of the "facts concerning the pillaging of natural resources and the exploitation of the indigenous populations by foreign monopolies and the support they render to the colonialist and racist **regimes.**"

Other provisions of the resolution condemned Governments violating UN's mandatory sanctions against the white minority **regime** in Rhodesia, and called on all States to discontinue economic relations with South Africa relating to Namibia.

Denmark and Ireland, breaking ranks with the other seven members of the European Economic Community, were among the 19 countries which abstained on the resolution. Also abstaining were: Australia, Austria, Canada, Costa Rica, El Salvador, Finland, Guatemala, Iceland, Japan, Malawi, New Zealand, Nicaragua, Norway, Papua New Guinea, Portugal, Spain and Sweden.

(**The New York Times** and **The Hindu**, Madras)

[Prev. ref. 4319:SAF:A]

B. France To Supply Submarines: It was announced in Paris on October 1 that France would sell two new combat submarines to South Africa.

The Government ordered two **Agosta** 20-torpeto submarines last year to add to their Navy's three smaller French **Daphne** submarines. But the deal was confirmed only now. Delivery dates were not announced.

In August, 1975, President Valery Giscard d'Estaing placed an embargo on the sale to South Africa of French aircraft, helicopters and other arms which could be used in anti-guerrilla warfare. But, the embargo did not affect the sale of warships and naval equipment for South Africa's national defence.

Capt. Francois de Larminat, head of the International Affairs Division at French naval headquarters, said in the current issue of the monthly magazine **Defence Nationale** that the two submarines would cost 340 million francs ($68 million).

On November 9, the French Secretary of State for Foreign Affairs, Mr.

Pierre-Christian Taittinger, told the French Senate that France would sell no more nuclear power stations to South Africa after the two reactors already ordered.

Replying to questions, he said, the two 922-megawatt stations ordered in August could only be used for peaceful purposes. "In any case we are not going to arrange any new contract or make any new sales (of nuclear power stations) to that country."

(**The International Herald Tribune**, Paris)

[Prev. ref. 4337:SAF:B]

C. **Student Protest:** Hundreds of young blacks boycotted school examinations on November 2 and many of them will have to repeat a school year before they are again qualified to take the tests, which include high school finals.

In Soweto, the large township, 16 km outside Johannesburg, there was virtually a 100-per-cent boycott of the examination. In Kathlehong township outside Germiston, east of Johannesburg, students went into the examination room but left after receiving test papers.

Black student leaders called for the boycott in memory of more than 350 persons killed over the last four months in riots. The riots began as protest against the compulsory teaching of some school subjects in Afrikaans, the Dutch-based language of the majority of whites in South Africa.

Although their boycott of school examinations was widely effective, the student leaders' call for a week-long work stoppage by blacks in this area was less successful.

Police fired tear gas to break up a crowd of about 350 blacks clashing over the strike call.

Maj.-Gen. Dawid Kriel, Police Commissioner in charge of countrywide riot control, said that adults in the crowd at Kagiso township outside Krugersdorp, west of Johannesburg, claimed that youths were trying to keep them from going to work. Buses and other vehicles taking Kagiso blacks to work had to drive through a gauntlet of stone-throwing youths. At least one person was hospitalized after a stone shattered the windshield of a car.

In Alexandra township, north of Johannesburg, a black policeman was injured when his vehicle was stoned.

A report from Johannesburg said on November 8 that at least 130 black students had fled to neighbouring Swaziland from Soweto.

The Swazi Government was "deeply concerned about the future of the students," and had ordered that none of them be identified. A special meeting had been held in the Swazi capital of Mbabane.

The exodus of about 90 students was first reported by South African television. According to the newspaper, **Weekend World**, the number of fleeing students had increased as unrest developed in the South African townships. Thirteen of the 130 were girls.

The Swaziland Government itself issued a statement giving assurances that the South African students would be well cared for and given genuine refugee status under the UN Convention on Refugees.

The International Red Cross, according to the statement, had agreed to give aid to the students and the UN Commissioner for Refugees was also informed of the matter.

(**The Statesman**, Calcutta, **The Standard**, Nairobi and **The Ghanaian Times**, Accra)

[Prev. ref. 4368:SAF:B]

D. **Pressures Against "Apartheid":** The Prime Minister, Mr. B. John Vorster, said on October 13 that external economic pressure was being applied to try to force South Africa to abandon **apartheid.** But, he did not elaborate.

He told a meeting of the ruling National Party at Ladybrand that the against the National Party Governpurpose of "the present agitation" ment was to try to get the party to relinquish **apartheid.**

He said he had devoted himself to avoiding confrontation, but added: "If confrontation is forced on me I shall meet it."

He said that those calling for a national multi-racial convention wanted to tear up the Constitution, have 'one-man one-vote' and equal distribution of economic wealth. He said: "That is the demand which is being put to me. That is a demand that I reject unconditionally."

(**The Statesman**, Calcutta)

TANZANIA

A. **Mrs. Indira Gandhi's Visit:** India's Prime Minister, Mrs. Indira Gandhi, paid an official visit to Tanzania from October 11 to 14 at the invitation of President Julius Nyerere.

She was accompanied on the visit by the Defence Minister, Mr. Bansi Lal and a team of senior officials.

She was given a tumultuous welcome as she arrived in Dar-es-Salaam on October 11. Traditional African dances and music were in attendance at the airport and all along the 16-km route to the city. President Nyerere and top dignitaries were present at the airport to welcome her.

Speaking at a banquet given in her honour by the President, Mrs. Gandhi re-iterated India's solidarity with the freedom fighters of Africa. "There can be no doubt as to its final outcome". She referred to the ancient ties between India and Africa which had been further strengthened by Mahatma Gandhi's work in Africa. She applauded Tanzania and her President for promoting world peace and helping African nations and added: "The African people are yet to achieve ultimate victory in their struggle. Zimbabwe and Namibia are in the midst of crises. The attainment of freedom and self-determination for the African peoples can brook no obstacles. The question is one of time and manner. Now it seems a matter of months, not years."

In a reference to world issues, she said that though there were now more contacts between members of opposing blocs, the age of confrontation had by no means ended. "Military presences are being extended and camp-followers and clients sought. We who live along the Indian Ocean are especially perturbed at the intrusion of friction and dangers into our area. In Asia and Africa, tensions are being provoked which will imperil peace. The motivation of the actions of several Governments is not the good of the people of these areas but the presumed advantages to themselves and their global strategies."

She added: "We in India are resolved to resist pressures and continue to play our part in reducing conflict while supporting the cause of freedom and equality." She said the economic declaration adopted at the Colombo Conference of non-aligned countries must become a manifesto for diplomatic action at United Nations and its Specialised Agencies.

In his speech, President Nyerere said that under Mrs. Gandhi's leadership India was tackling her problems with determination, and commitment to justice for all the people and not just a few.

Speaking again at Dar-es-Salaam University, Mrs. Gandhi said: "The new generation in India and in Africa must cast aside the props and crut-

ches of a bygone system of education...We have to study each discipline from our own point of view and in relation to our own environment. We must develop our own source material and not depend unduly on foreign scholars. For cultural imperialism is the more devastating because it is subtle and insidious. Political liberation is incomplete without liberation of the mind."

In Zanzibar:

Mrs. Gandhi was given a rousing reception when she went to Zanzibar on a day's visit on October 12.

She saw the small industries estate in the establishment of which India is co-operating with the Zanzibar Government. The National Industrial Development Corporation of India has been appointed by the Zanzibar Government to help in the establishment of the estate.

Three units in the estate engaged in the manufacture of wire products and cardboard cases and tyre retreading were commissioned in January this year and three other units—sheet metal unit, aluminium utensils unit and PVC insulated unit—are expected to go into production by the end of this year. Besides these, contracts have been signed for the establishment of a dozen more units including a dessicated copra unit, a hosiery and an oil mill.

Joint Communique:

A joint **communique** issued at the end of Mrs. Gandhi's visit to Tanzania said the crisis in Zimbabwe, the lack of progress in Namibia and the continuation of racial discrimination and **apartheid** in South Africa presented to the conscience of the world the "greatest moral and political challenge of our time."

The **communique** said: "Mwalimu J. K. Nyerere informed Mrs. Indira Gandhi of the endeavours made by Tanzania through its policy of socialism and self-reliance. He emphasized the importance of the contribution so far made by India in Tanzania's vital endeavour to promote development in rural areas, especially in establishing small-scale industries. The President made an appraisal of success and difficulties encountered in developing the **Ujamaa** vilages and servicing these vital units in social, economic, educational and technical development. The Prime Minister expressed her deep admiration for the success achieved in the realization of these objectives. The Prime Minister of India was specially impressed by the enthusiasm of the people in working for the attainment of national goals throughout her stay in Dar-es-Salaam and during her visit to Zanzibar.

"The Prime Minister explained the background and rationale of the steps taken during the recent past to contain forces of disruption and destabilization in India. These measures had become necessary to protect the fundamental liberties in the Constitution. Prime Minister Indira Gandhi breifed President Nyerere about India's efforts and measures so far taken to normalize and improve relations between the countries of the sub-continent and beyond. The Tanzanian side welcomed the efforts and appreciated the Indian initiative in this regard. The two sides noted wth satisfaction the improvement in the atmosphere in the Indian sub-continent and expressed the hope that this would lead to the promotion and expansion of good neighbourly co-operation between all countries of the region.

"The two sides discussed the rapidly developing situation in Southern Africa, which has now become the focus of world attention. The crisis in Zimbabwe, the lack of progress in Namibia and the continuation of racial discrimination and **apartheid** in South Africa together present to the conscience of the world the greatest moral and political challenge of our time. At this historic moment, the supreme need is for unity and steadfastness of purpose so that the true representatives of the people are able to determine the future of their countries.

"President Nyerere took the opportunity to apprise the Prime Minister of the recent developments in Southern Africa. On Rhodesia, President Nyerere briefed Mrs Indira Gandhi on the progress of the current intensified armed struggle waged by the heroic Zimbabwean people and other forces of pressure exerted by the international community on the criminal racist minority **regime.** These pressures have brought about a favourable situation for an early victory of the Zimbabweans. In this connexion, the President and the Prime Minister welcomed the statement of the five Presidents of the front-line States on the convening of the Constitutional Conference for the immediate transfer of power to the African majority prior to full national independence. At the same time both leaders called on the Zimbabwean people to continue the struggle and maintain pressure until the real transfer of power has been effected. They pledged all possible assistance to the people of Zimbabwe to achieve that end.

"With regard to Namibia, the two leaders condemned the illegal occupation of that territory by South Africa. They expressed their conviction that it is the duty of United Nations, which has legal authority over the territory, to see to it that Namibia attains her independence under the leadership of SWAPO which is recognized by the UN and the OAU, as the sole representative of the Namibian people. Both leaders further re-affirmed their full support to the Namibian people in their legitimate struggle by all necessary means, including armed struggle under the leadership of SWAPO.

"The two leaders expressed their deep concern over the continued denial of basic human rights to a vast majority of the people of South Africa. They strongly condemned the massacre of innocent African people in Soweto. They expressed their support for the people of South Africa against the cruel system of **apartheid** and called on the International community to lend all possible support to this struggle. They expressed the view that since **apartheid** has been declared a crime against humanity, the international community has a duty to intensify the isolation of the **apartheid regime** by the application of mandatory arms embargo as well as economic sanctions against South Africa. The two leaders condemned the creation of Bantustans and reaffirmed the decisions of their Governments not to recognize Transkei or any other Bantustan.

"The two leaders re-iterated their support to the proposal for making the Indian Ocean a zone of peace free from Great-Power rivalry and all foreign military bases. They particularly expressed their regret and concern at the continued military build-up in Diego Garcia. They called upon the Great Powers and the major maritime users to fully cooperate with the littoral and hinterland States in achieving the objectives of the UN Declaration making the Indian Ocean a zone of peace. The two leaders agreed that their countries would maintain close contact with each other on developments in the Indian Ocean.

"Reviewing the situation in the Middle East, the two leaders expressed serious concern at the continuing crisis in that region. Both sides stressed that there could be no just and lasting settlement in the region without Israeli withdrawal from all Arab territories occupied by force in 1967 and the restoration of the legitimate rights of the people of Palestine.

"The Prime Minister of India thanked the Government and people of the United Republic of Tanzania for the spontaneous hospitality extended to her and the members of her delegation throughout their stay. She renewed the earlier invitation extended to the President of the United Republic of Tanzania to visit India. The invitation was accepted."

(**The Hindu**, Madras, **Indian and Foreign Review** and **PIB**, New Delhi)

[Prev. ref. 4196:TNZ:A]

TOGOLAND

A. **Border Talks With Ghana:** An eight-day Ghana-Togo Joint Permanent Border Demarcation Conference ended in Lome on October 10.

No **communique** was issued, but conference sources said that discussions were held in an atmosphere of friendliness and cordiality.

The next meeting of the Commission will be held in Ghana.

Mr Sam Okudzeto, a legal practitioner, who is also chairman of the Ghana Commission, led the Ghana delegation

Col. Koffi Kongo, leader of the Togo delegation, presided over the conference.

(**The Daily Graphic**, Accra)

[Prev. ref. 4237:GNA:A]

B. **Tripartite "Summit":** Talks held in Lome between Ivory Coast's President Felix Houphouet-Boigny and Gabon's Head of State, Mr. Omar Bongo on October 21, "cleared the air" in relations between the two countries.

The two leaders met at a tripartite **summit** hosted by President Gnassingbe Eyadema.

The Government-owned **Togo-Presse** said that President Eyadema had visited both Ivory Coast and Gabon. The results of his "shuttle" were clearly shown by photographs of the three leaders smiling and chatting at **summit**.

No **communique** was issued after the meeting, but sources said the three Presidents had discussed the operation of the Economic Community of West African States (ECOWAS) and Gabon's abrupt withdrawal from the Afro-Mauritian Common Organization (OCAM) and its rumoured plan to pull out of Air Afrique.

However, according to a report from Libreville on December 2, Gabon will withdraw from the 11-nation African airline Air Afrique and create its own international airline.

The report quoted President Bongo as saying that Libreville airport had the highest annual growth rate in Africa and that Gabon provided 25 per cent of Air Afrique's receipts. "The motive for our leaving is economic and political in that we want to consolidate our national independence."

(**The Daily Graphic**, Accra and **The International Herald Tribune**, Paris)

ZAIRE

A. **Loan Agreement With US Bank:** The US Export-Import Bank said on October 13 that it had modified a Loan Agreement with Zaire for construction of the Inga-Shaba power line, to resolve a dispute between the bank and two groups of private banks.

The Exim-bank originally approved $44.3 million in direct loans for the project in Zaire, but required the borrower, Ste. Nationale d'Electricite, Zaire's State-owned electric power company, to set up a special facility outside the country to assure repayment of the loan with earnings from Zaire's copper exports.

This was challenged in the Federal District Court in New York by Citibank, representing one group with outstanding loans to Zaire, and by Bankers Trust Co., representing the other group.

The Exim-bank's intentions were to have the special payment facility outside of Zaire cover both some earlier credits approved for the Inga-Shaba power line in late 1973 and the additional financing authorized earlier this year.

Because of the New York court suits, the Exim-bank has now decided that the special payments facility outside Zaire will be used only for the new credits, and not the earlier ones, a bank official said. The new credits total about $88.6 million, half from the Exim-bank in the form of direct loans and the remainder in private credits from Manufacturers Hanover Trust Co. and other lenders.

Following the Exim-bank's statement, Bankers Trust Co. said it had discontinued its suit against the bank. There was no immediate reaction from Citibank.

External Debt Position:

Meanwhile, according to the latest World Bank data, Zaire's external debt at the end of 1974 totalled $2.56 billion, of which only $1.31 billion had actually been disbursed.

Of the total debt almost half—$1.27 billion—was owed to commercial banks. The bulk of the Bank loans was extended to cover exports from the industrialized countries and was secured by guarantees from export-finance agencies such as the Export-Import Bank.

Commercial bankers close to the situation estimated that the unguaranteed portion of the Bank debt did not exceed $500 million.

Zaire's problem in repaying this debt was tied to the dramatic swing in the price of copper. Exports of the metal accounted for more than two-thirds of Zaire's foreign-exchange earnings. After touching an all-time high of $1.50 a pound in late 1973—around the height of Zaire's borrowing—the price of copper collapsed to 54 cents and was now selling at around 57 cents, reflecting the impact of the world-wide recession on industrial demands for primary products.

The price decline was devastating because Zaire had put all the efforts into developing the mining industry, neglecting such key sectors as agriculture. As a result, the country which was once a net exporter of agricultural commodities now spent an estimated one-third of its foreign-exchange earning to import basic foodstuffs.

In June, the major Governmental creditors of Zaire laid out the framework for a re-scheduling of their loans. According to these guidelines, the debt due in 1975, 1976 and 1977 would be repaid over the next 10 years. Bilateral negotiations between Zaire and individual countries were now going on to fix specific terms within these guidelines. Early next year, the major creditors would hold another meeting aimed at setting the frame-work for the rescheduling of the debt falling due in later years.

(**The International Herald Tribune**, Paris)

[Prev. ref. 4153:ZIR:A]

B. **Mystery Disease:** The Government placed the Bumba region of Upper Zaire in the first

week of October in quarantine following the outbreak of an unknown killer disease causing panic among the local population.

The Health Minister, Dr. Newete Kikhela, said that all necessary medical precautions were being taken to protect the local population and to combat the spread of the disease.

He said the illness began with a high temperature followed rapidly by convulsions leading to a state of shock and kidney failure. Antibiotics had no effect on the disease. Infected tissues from victims had been sent abroad for analysis.

The Government said that 80 cases had been reported, of which 46 had died.

Scientists at a secret laboratory in Europe have been trying to identify the virus which has caused 46 deaths in Southern Sudan and apparently has also struck in Northern Zaire.

(**The Statesman**, Calcutta)

ZAMBIA

A. **Mrs. Indira Gandhi's Visit:** The Indian Prime Minister, Mrs. Indira Gandhi, paid an official visit to Zambia from October 14 to 17.

She was accompanied on the visit by the Defence Minister, Mr. Bansi Lal, and a team of senior officials

Replying to a glittering civic reception in Lusaka on November 13, Mrs. Gandhi said that India admired Zambia which despite its preoccupations in building up the country was also involved in thinking of the troubles of other neighbouring people and helping them in their struggle for freedom. Undoubtedly Zambia was involved in thinking of the troubles struggle in Southern Africa.

While India sympathised with Zambia, India's own stand was firm and consistent. It had always supported freedom struggles and wished those still struggling for their freedom to succeed. India had always believed that freedom was indivisible and freedom would be secure only when those still in bondage were free.

Paying tributes to President Kaunda's leadership, Mrs Gandhi described him as "a great nationalist and an equally great internationalist" and said she was confident that in spite of all the problems Zambia faced or shared with other countries it would be able to conquer them.

"While we do not have control over events," she said her experience was that if one reacted to them in the right manner one got energy and strength to get over the difficulties.

Advising developing countries to shake off all that stood in the way of progress and development and imbibe all that was good in modern technology and helpful in a developing country, she said in this process the countries had to learn from one another's experience. Though developing countries had many common problems, their solution could not be one. Every one of them had to keep its "distinct personality".

She asked all those who had chosen to make Zambia their home to help Zambia keep its distinct personality. She said she had vivid and pleasant memories of the two earlier visits though she could not then get much time to meet the people of Zambia.

Among those present at the reception were President K. Kaunda, the Prime Minister, Ministers and other high dignitaries.

Earlier, the Lord Mayor recalled the close co-operation and friendship between India and Zambia and said both were engaged in fighting colonialism and imperialism and upholding the dignity of human rights.

He thanked India for its help to the liberation struggle in Southern Africa and said he was confident that like Mozambique and Angola, others including Rhodesia and Namibia would also be free and the racialist **regime** in South Africa would end.

The situation in Southern Africa dominated the talks between Mrs. Gandhi and Dr. Kaunda. The latest developments in Zimbabwe and Namibia and the explosive situation in South Africa resulting from **apartheid** were discussed. The two leaders reaffirmed their conviction that the struggle for freedom, justice, peace and independence in the region was now entering the last and potentially the most dangerous phase. The two sides also pledged their total support for the oppressed people of Southern Africa in their just struggle.

Joint Communique:

In the joint **communique** issued at the end of Mrs. Gandhi's visit to Zambia, the two leaders strongly condemned the massacres of the African people in Soweto and other African townships by the racist South African **regime.**

They re-affirmed complete solidarity with the courageous people of South Africa in their struggle to end the abominable system of **apartheid.**

The **communique** said: "The two sides devoted special attention to the problems of Southern Africa. The latest developments in Zimbabwe were discussed in detail. Attention was also devoted to the developments in Namibia and the explosive situation in South Africa resulting from **apartheid** and the denial of basic human rights to the majority population. They re-affirmed their conviction that the struggle for freedom, justice, peace and independence in the region was now entering the last and potentially the most dangerous phase. The two sides pledged, in this regard, their total support for the oppressed people of Southern Africa in their just struggle.

"The two sides noted the favourable developments in Zimbabwe brought about by the heroic armed struggle waged by the people of Zimbabwe. The illegal minority **regime** has been compelled to accept the demand by the people of Zimbabwe for the attachment of majority rule. The two sides expressed the hope that the proposed conference in Geneva would lead to immediate majority rule in Zimbabwe.

"On Namibia, the two sides reaffirmed the inalienable right of the people to freedom and independence and called for renewed efforts to ensure South Africa's compliance with the resolutions and decisions of the United Nations, the Non-Aligned countries and the Organization of African Unity. The two sides pledged their moral and material support to the heroic struggle of the Namibian people, for the liberation of their country under the leadership of SWAPO, the sole and legitimate representative of the people of Namibia. They called on South Africa to withdraw its illegal occupation of Namibia forthwith.

"The two sides expressed their grave concern over the deteriorating situation in South Africa resulting from **apartheid** and racialism. The two leaders strongly condemned the massacres of the African people in Soweto and other African townships by the racist South African **regime.** The two sides re-affirmed their complete solidarity with the courageous people of South Africa in their struggle to end the abominable system of **apartheid.**

"The President of Zambia briefed the Prime Minister of India on various measures taken for the rapid economic and social development of the people of Zambia. The Prime Minister conveyed her appreciation

and support to the President of Zambia in creating a non-racial society based on the philosophy of humanism. The President also explained to the Prime Minister the efforts of the front-line Presidents to achieve majority rule in Southern Africa. The Prime Minister of India expressed her appreciation of these efforts made by the President of Zambia together with the Presidents of other front-line States.

"The Prime Minister of India in turn outlined to the President of Zambia the recent steps taken by the Government of India to safeguard the fundamental values of the Constitution against the disruptionist forces within the country. She explained that these steps have already resulted in noticeable improvement in national discipline and morale and had also led to tangible improvement in the country's domestic and external economic situation. The overwhelming majority of the people of India have welcomed and supported these measures. The President of Zambia expressed his full understanding and support for these measures which have already succeeded in ensuring political stability and economic prosperity in India.

"The Prime Minister of India also briefed the President of Zambia on the initiatives taken by the Government of India to normalize and improve relations with India's neighbouring countries in the interest of promoting peace, mutual understanding and good neighbourliness, through bilateral means. The President of Zambia appreciated these efforts and expressed hope and confidence that these would lead to the promotion of genuine friendship and effective co-operation in the region.

"Both sides expressed satisfaction at the progress made in strengthening their co-operation in the economic and technical fields and agreed to explore further areas to expand these relations. In this connexion, the Zambian side expressed appreciation of the contribution made by Indian technical personnel working in Zambia and the training facilities extended to Zambian nationals in a variety of technical institutions in India. Both sides also noted with satisfaction the progress made in the implementation of various Indo-Zambian projects. They re-affirmed their determination to ensure that the mutually beneficial economic ties between the two countries are further strengthened and diversified.

"The Prime Minister of India conveyed her warm thanks for the great honour done to India by the conferment of the order of Grand Companion of Freedom on her and the generous hospitality extended to her and members of her delegation by the people of Zambia during the visit.

"The Prime Minister of India invited His Excellency Dr. Kenneth Kaunda, President of Zambia and Madame Kaunda to visit India. The invitation was gratefully accepted."

(**The Hindu,** Madras and **PIB,** New Delhi)

[Prev. ref. 3954:ZMB:A]

B. **Sugar Exports:** Zambia is poised to export sugar to neighbouring countries like Tanzania, Malawi, Kenya and Zaire.

The Zambian Sugar Company General Manager, Mr. Alfred Gibbs, announcing this on November 12, said that with the 1975-76 bumper production of 85,000 tonnes, Zambia attained self-sufficiency in sugar for the first time. This year, already 74,000 tonnes of sugar out of the targeted 90,000 tonnes had been produced.

He informed Mr. Samuel Mbilishi, Central Committee member in charge of Southern Province on a tour of the Nakambala sugar estate, that a feasibility study had been completed for starting another sugar estate in Luapula province.

Mr. Mbilishi suggested that workers should be encouraged to participate in the company's policy matters.

(**Times of Zambia,** Lusaka)

AFRICA OUTSIDE AFRICA

A. **Developing Nations' Conference On Economic Co-operation:** The conference of developing nations on economic co-operation, which ended eight days of debate in Mexico City recently, made a series of decisions on current international topics.

The meeting called for the convening in 1977 of another conference, organized with the help of UNCTAD, to include the secretaries of the Third World countries. The purpose of the conference would be to strengthen co-operation and economic integration among developing nations at the sub-regional, regional and inter-regional levels.

It suggested "global system of tariff preferences reserved exclusively for the developing nations," and they requested UNCTAD to make a detailed study of various aspects of such a system. UNCTAD would also make a study on more effective co-ordination of the purchasing policies of the developing countries.

Complete support was expressed for UNCTAD's proposed integrated programme for raw materials. It was also decided to call a conference for creation of a special fund for financing buffer stocks of commodities if negotiations within UNCTAD with rich countries on this topic did not bring "satisfactory results."

The countries decided to set up a council of producers' associations for basic commodities as soon as possible and to study the establishment of new associations and strengthening of existing ones.

It was decided to study co-operation possibilities in the farm and industrial sectors.

The developing countries would make studies on creation of multinational firms and maritime conferences in the developing world. UNCTAD would be asked to study the problem of land-locked countries.

The countries would strengthen existing monetary and financial links.

By the end of 1977, groups of experts will carry out studies on the possibility of creating a payments union of developing nations, a liquidity unit reserved for such countries, a countervailing currency supported by the economic potential of the developing nations (and intended to reduce the dominance of the advanced economies' currencies), and a commercial bank for developing countries.

The final document of the conference also called for strengthening the solidarity among its members in on-going negotiations aimed at re-structuring of the world monetary system.

Participants called for creation of technology centres at national and regional level, similar to Asian and African centres for transfer and development of technology. They also urged establishment of inter-regional centres, such as the "Centre for Science and Technology of the Developing Countries" set up in Lima. Inter-regional centres should also be set up for certain specific sectors, such as pharmaceuticals.

It called for unification of the positions of the developing countries before the UN Conference on Technical Co-operation Among Developing Countries scheduled to be held next year in Argentina.

A Pakistani proposal for a **summit** meeting of developing countries was not formally approved by the conference

ence in the face of strong opposition from several countries. The meeting, however, decided to "take note" of the proposal.

The final statement said that the proposal should be considered by the individual Governments of the developing countries and consultations thereon would be held if and when appropriate.

(**The Times**, London)

B. **IFC Annual Report**: According to the annual report of the International Finance Corporation (IFC), an affiliate of the World Bank, the investment climate during 1975 both in industrial and non-oil producing developing countries was dominated by caution and uncertainty.

The report said that inevitably recession affected the level and the extent and intensity of the world structure of international trade and investment flows in 1975. The volume of international trade dropped by about 6 per cent, for the first time since 1958. Exports of non-oil producing countries were 4 per cent lower in volume and their unit value eroded by 14 per cent in real terms.

Although preliminary data did not suggest a drop in the flow of direct private foreign investment to developing countries, the data did not make clear distinction between new investment and invested earnings.

The report noted that the recovery in the industrialized countries was already beginning to enliven certain commodity matters, particularly in minerals. As that recovery gained momentum, the developing countries could expect to see its impact translated into higher exports of primary commodities and in the growth of their manufactured exports, an area that had provided a special momentum to the industrial advancement of developing countries in recent years.

Yet, despite some expected improvements in their exports, the non-oil producing developing countries faced the prospect of another very large current account deficit in 1976, although somewhat lower than the $35 billion imbalance of 1975.

The pace of the economic recovery of these countries would hinge importantly on their continued access to international capital markets and on the outlook for foreign private investment.

Efforts to facilitate that access and encourage that investment could make a significant contribution to the recovery of this group of countries. The events of 1975 had demonstrated that policies designed to achieve this objective were likely to be in the interest of the growth of the world economy as a whole.

Referring to Euro-markets, the report said, total publicised Euro-currency medium-term credits in 1975 amounted to $21 billion, approximately two-thirds of the 1974 level. Moreover, the Euro-bond market showed a dramatic revival, the total of $8.5 billion raised in that market last year having been four times the 1974 level.

For the developing countries, however, the medium-term banking market continued to be the most important source of funds—about half the total credits in this market were channelled to the developing countries, the major proportion—$8.9 billion in 1974 and $9.3 billion in 1975—going to the non-oil producing developing countries. Only very few developing countries, principally Mexico, had access to the Euro-bond market on any significant scale.

The bulk of Euro-currency credits went to the economically more advanced and resource-rich countries.

In 1975, the example, two-thirds of the publicised loan commitments to non-OPEC developing countries were made to four countries, two of them higher-income countries, largely in the form of general-purpose loans for public agencies and enterprises.

The report foresaw a gradual bunching of repayments of principal in the years 1976-80 as maturing for loans obtained before 1974 tended to coincide with those of loans obtained afterwards. In short, the Euro-markets seemed likely in the coming years to enter a more critical period which would test more vigorously than hitherto both the creditworthiness of borrowing countries and the resourcefulness and flexibility of the Euro-institutions.

While it was not possible to predict the future volume and direction of Euro-lending to developing countries, the report said, there were signs that it would not be easy to sustain flows at recent levels, even in nominal terms.

Given the current and prospective balance of payments prospects of the non-oil producing developing countries, there was little doubt that not only these countries but the international financial system itself would come under severe pressure if this source of capital were to dry up, or even be severely curtailed.

What was needed, then, in the present financial environment was a degree of surveillance of, and of support for, the Euro-currency markets.

Calling for the support of international financial institutions, the report said that their increased association with Euro-currency institutions in joint financing and syndication for the benefit of developing countries could provide a more reliable basis for risk analysis and sound decision-making by both the lending institutions and the responsible authorities in the borrowing countries.

In addition, the support of the international institutions could provide an opportunity to lengthen the maturities of such lending and to channel such funds directly into productive investment. A corollary to such efforts would have to be action on the part of borrowing countries to preserve a climate of confidence necessary to attract a continued inflow of resources.

Fiscal Commitments:

The International Finance Corporation, which lends to the private sector in developing countries, will have its capital increased by $480 million.

The additional capital is to be paid in by its 105 members over the period 1978-82. This will permit IFC to expand its role of "promoting the growth of productive private enterprise in developing countries by making loan and equity investments without Government guarantees in conjunction with other private and public sources of capital."

IFC made loan and equity investments totalling $25.3 million in 33 enterprises in 25 developing countries, including India, during the fiscal year ending June, 1976—which marked the 20th anniversary of the Corporation. A loan of $6.6 million was made available to finance a new plant near Bangalore and to double its present annual output of internal combustion engine piston and pins of improved technology. This takes the total IFC investment in 12 Indian private enterprises so far to $58.4 million.

Progressively increasing in annual commitments, IFC has so far made investments totalling $1,505 million in 271 enterprises in 61 developing countries in which others had concurrently invested approximately $6,300 million.

With the capital increase recommended by directors of IFC (to be approved by the board of governors yet), the Corporation will be able to mobilize private capital for larger

industrial and national resource projects. It will facilitate both the access of private sector in the developing countries to international capital markets and the creation of new local capital markets, and expand its role in, and technical assistance to its least developed member-countries.

During the fiscal year 1975, IFC's commitments related to projects with an estimated cost of $1,412 million. Other foreign and local investors committed $838 million, besides IFC's $245 million and the balance was financed through cash generation.

The bulk of IFC's investments thus far has been channelled to basic industries, particularly iron and steel, pulp and paper and cement.

Of its cumulative gross commitments, Brazil takes the first place with over $276 million, followed by Turkey (over $158 million), Yugoslavia (over $128 million), South Korea (over $70 million), Mexico (about $70 million), Indonesia (over $59 million) and India (over $58 million).

Disbursements during the fiscal year 1976 amounted to $199.7 million compared to $184.4 million in the fiscal year 1975, bringing cumulative disbursements to $1,059 million.

Reviewing IFC's performance over the last two decades, the annual report said that since 1972, one-half of the investment in projects supported by IFC was provided by investors from developing countries and the remainder from industrialized countries.

Orders of equipment from OECD countries by IFC-assisted projects totalled about $3 billion.

Almost half the commitments by IFC were to new enterprises, in whose beginnings the financial and technical assistance of the Corporation played an important role.

(**The New York Times** and **The International Herald Tribune**, Paris)

C. **International Tea Association:** Fifteen countries including India, accounting for more than 15 per cent of the world's tea trade, approved recently a draft Agreement to set up an association to promote tea sales.

The Agreement followed 10 days of talks which considered voting rights, finance and other issues leading to the establishment of the new producer pact to be known as the International Tea Promotion Association.

A spokesman for the group dismissed speculation that the new association was a cartel of producers which aimed at fixing prices and controlling sales. He said: "There is nothing in the agreement about quotas, prices of buffer stocks. The objective is purely to increase the demand for and the consumption of tea."

According to the draft Agreement, the new Association would work to "foster development and intensification of co-ordination of policy and action" and to maintain and increase international demand for tea.

These 15 nations have time until March, 1977 to consider the draft text before it is signed at United Nations one month later.

The 15 nations are: India, Argentina, Bangla Desh, Brazil, Burundi, Indonesia, Malawi, Mauritius, Mozambique, Turkey, Uganda and Zaire.

Conference sources said there were long negotiations over voting rights with smaller producers wanting a vote for each country but the higher producers demanding subsidiary votes as well.

The spokesman said it had evolved "a mechanism which aims at achieving a balance in decision-making between large producers and smaller countries."

Under this formula, the Governing Body would try to decide all questions by consensus.

According to the Agreement text, a simple majority could decide action in dispute, but a vote requiring a two-thirds majority would be forced by a country or group accounting for at least one-third of the members' total tea exports.

The two-thirds majority would also have to control at least 66 per cent of Association members' tea exports.

A governing board of the Association would appoint an executive director to head a secretariat and also decide on the location of its headquarters. Hamburg in West Germany and the Dutch city of Rotterdam had shown interest.

(**The Hindustan Times**, New Delhi)

D. **India's Support To Liberation Struggle:** The following are excerpts relating to Africa from a resolution on the international situation adopted by the All-India Congrtss Committee in the third week of November:

"In Africa the successful conclusion of the liberation struggle in the Portuguese colonies and the intensification of the National Liberation Movements against white minority **regimes** in Zimbabwe and Namibia have brought the final moment of total liberation in that continent very near.

"The A-ICC welcomes the positive outcome of the Prime Minister's recent visit to Africa, which was a timely re-affirmation of India's moral and material support to the cause of liberation in Africa. The A-ICC hopes that the Geneva Constitutional Conference will lead to immediate majority rule in Zimbabwe.

"The A-ICC pledges support to the struggle of the brave people of Namibia under the leadership of SWAPO for liberation from illegal occupation by the racist **regime** of South Africa. The A-ICC condemns the massacres in Soweto and other townships and re-affirms its solidarity with the courageous people of South Africa under the leadership of the African National Congress in their struggle to end **apartheid** and to achieve majority rule.

"The A-ICC denounces the policy of creating Bantustans and supports the stand not to recognize the sham independence of Transkei."

(**The Times of India**, New Delhi)

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